ARTICLE APPEARED DE PAGEAL

THE NEW YORK TIMES 24 May 1983

Director of C.I.A. Denies Report He Predicted Ouster of Sandinists

William J. Casey, the Director of Central Intelligence, denied yesterday that he had predicted that rebels had a good chance of overthrowing the Nicaraguan Government by the end of this year.

An article in The New York Times yesterday said Administration officials and members of Congress had at mony by Mr. Casey and Thomas O. Enders, Assistant Secretary of State for Inter-American Affairs. The C.I.A. refused to comment Sunday on the article, and Mr. Enders did not return repeated phone calls to his home.

'No Such Prediction'

Mr. Casey said in a statement issued in Washington by the Central Intelligence Agency vesterday:

"As a matter of policy, I do not comment publicly on allegations concerning intelligence activities except when they raise questions of legality. This morning's New York Times stated that I and Assistant Secretary of State Enders have predicted that Nicaraguan rebels have a good chance of overthrowing the Sandinista Government by the end of the year. No such prediction has been made. There is nothing in the record of the Congressional briefings which remotely resembles the story in The New York Times."

A Democratic member of the House Intelligence Committee, who was one of the sources cited in the article, when asked last night about Mr. Casey's statement, reiterated what he said Sun-

That was that Mr. Enders and Mr. Casey had told members of the committee that in the estimation of the C.I.A. the anti-Government guerrillas, who are supported by the United States, could achieve a military victory against the Nicaraguan Government as early as the end of this year.

The committee member said yesterday that the predictions were made sometime in the last three weeks. Asked if they had come in secret testimony or informal conversations with members, the Representative said he could not remember.

He said that both Mr. Enders and Mr. tributed the prediction to secret testi- Casey briefed the committee several times in recent weeks and that before and after their formal prepared remarks they chatted with members of the committee.

> The committee member said Sunday that the remarks were made in secret

The Times's article quoted the Administration and Congressional sources as saying the predictions were made in secret testimony to Congressional committees in recent weeks.

Both Howard H. Baker Jr., the Senate

majority leader, and Thomas P. O'Neill Jr., the Speaker of the House, said yesterday that they had not been told by Mr. Casey or anyone else that the Nicaraguan rebels had a good chance of overthrowing the Nicaraguan Government by the end of the year.

A staff member of the House committee said last night that neither Mr. Casey nor Mr. Enders had ever suggested in formal testimony before the committee that the insurgents had a reasonable chance of overthrowing the Government. He said, however, that it was clear from conversations with intelligence officials that they would not be unhappy if the insurgents were suc-

Representative Lee H. Hamilton, Democrat of Indiana, a member of the House Intelligence Committee; said last night that he did not recall hearing Mr. Casey or Mr. Enders make the prediction on the anti-Sandinist rebels. He said he had gone through a transcript of testimony that both had given in which neither of the two men made such a prediction.

Representative Norman Y. Mineta, Democrat of California and a member of the House committee, said he did not recall hearing Mr. Casey or Mr. Enders make such a statement in testimony before the committee.

A Republican member of the Senate Intelligence Committee who was also quoted as a source of yesterday's arti-cle could not be reached last night.

'Convinced That They Can Win'

A senier Defense Department official was one of the sources for the article in The Times yesterday. On Sunday he said that the armed opposition to the Nicaraguan Government had achieved some major victories in recent weeks, adding, "We're convinced that they can win." C.I.A. officials have also made this assessment in conversations with reporters that were not for attribution.

A State Department spokesman, John Hughes, called The Times's article "an inaccurate and misleading account of testimony given by Adminis-tration witnesses." He added that the Administration was complying with a law enacted by Congress last year that prohibits United States aid to military groups in Central America for the purpose of overthrowing the Nicaraguan Government.

Mr. Hughes did not deny that Administration officials had predicted that the rebels might topple the Nicaraguan Government. He said he could not comment on that subject.